

# **GSE CUSTOMER COUNCIL MEETING**

## **September 16, 2004**

### **Members Present:**

John Bradford, Chairperson, Member of Public, Jennifer St. John, DNR; Marcia Spangler, IDED; Charlie Smithson, Ethics; Roger Johnson, Cultural Affairs; John Baldwin, DOC; Mary Jane Olney, AG; Greg Anliker, Elder Affairs; Bob Straker, AFSCME.

### **Members Absent:**

Major Darrel Cox, DPS; Ruth White, Human Rights; Peggy Sullivan, Judicial.

### **Others Present:**

Mollie Anderson, Director, DAS; Patrick Deluhery, GSE; Debbie O'Leary, GSE; Dale Schroeder, GSE/Fleet & Mail; Tim Ryburn, GSE/CCM; Tera Harrington, GSE; Nancy Williams, GSE; Julie Sterk, DAS; Linda Plazek, DAS; Carol Stratemeyer, DAS; Linda Wozny, GSE/CCM; Mark Willemssen, Legislature; Miki Clark, DHS; Barbara Bendon, GSE; Pat Harmeyer, DAS; and Ron Bradley, DAS.

### **Call to Order:**

Meeting was called to order at 7:30 a.m.

### **Opening Comments:**

None

### **Approve Minutes of August 23, 2004:**

Jennifer St. John moved to approve the minutes as written. Charlie Smithson seconded the motion. Motion passed.

### **Follow-up to last GSE Customer Council Meeting:**

Issues raised at the last GSE Customer Council Meetings – four topics brought up.

Comments by Mollie Anderson, Director, DAS.

1. You asked that a letter be sent to Cindy Eisenhower regarding DAS distribution, base budget questions and regarding the second distribution.
  - At the last meeting you approved rates and you asked that I visit with DOM regarding your concern about how DAS distribution will be treated in the budgeting process as it goes forward.
  - The DAS distribution – the Legislature in its original passage of the bill identified \$10.8 million dollars which we thought would need to be distributed in order to ensure that customers received the funding that DAS entities had previously received through an appropriation. Their intent was to take the money we had received for those kinds of services which are now deemed to be Utilities and distribute the money to agencies. The work we did to distribute that money had to be able to be audited and to be able to be verified by both DOM and the Auditor's office that it was accurate and fit with the methodology that was established for calculating rates. We did that – we made our best guess estimate based upon what we thought were the products and services that were going to be in those

categories. After all the rate setting process was completed in the first year, we thought the amount to be distributed was \$9.4 million dollars. By now all of you should have received letters from DOM identifying the money that was to be distributed to each of your agencies. Questions received by Director Anderson included: "You promised us that the money would equal what the DAS charges and that is not the case, tell me why?" The answer is, only the part that was distributed was the part DAS received as an appropriation. There were other services that DAS charged agencies that were fees and those fees were a part of your budget already. You have to add those two things together in order to come up with what is the amount of the appropriation (the money previously appropriated to DAS went to the agencies) plus the amount that was previously charged to agencies as a fee, should equal the rates for '05. In terms of your '06 budget, that '05 amount will be treated as a base according to Cindy Eisenhower.

- The amount distributed is a very important issue. We also recognize, in the process of setting rates there were some corrections made about whether everything was calculated correctly, etc. Whether that money in '06 should be re-distributed to customer agencies so that you have that money in your budgets. DOM has come to an agreement that the base budget is the amount that was distributed to each of your agencies.
  - We have to figure out a way to do a second distribution. The people working on this will be Denise Sturm and Joe Lunde. It makes no sense for us to try not to get as much as we can into your base budgets as possible if we can justify and if it can clear an audit trail of an appropriate distribution to each of the agencies. Cindy Eisenhower does understand the point of this Customer Council, that our goal is to try to get as much of that in your base budget as possible.
  - Remembering \$10.8 million dollars was the original amount the Legislature approved and \$9.4 million dollars was what we distributed, there are other things which will demand some portion of that money. Example, Design and Construction was not approved to get a revolving fund, some of these funds were intended to be distributed but cannot be distributed until we get Legislative authority to do that. Additional costs associated with the Ankeny Laboratory which were not anticipated because at the time, we had no idea what the Laboratory would cost. The DAS distribution, what we received and feel should go to customers – there are a lot of pieces between the \$9.4 and the \$10.8. We will keep you involved, and we want you to get as much as possible to put yourself in the best position for the '06 budget process and we also understand that if we can do that, the increase that DAS looks like it charged between '05 and '06 is smaller – that will also be a better picture. We understand what the problem is, we now have to figure out ways to solve this problem. Your motion was strong and was clear that you want us to do something about it.
2. We did follow-up and had some conversation with the Auditors Office and the Attorney General's office
- Auditor & Attorney General Office – at the last meeting you expressed some concern that neither one of those items were probably built into your budget and that you have little control over it. Since you had little control over it, you felt uncomfortable about us adding that to our cost of doing business. Director Anderson stated she had not yet met with the Auditor, but has met with the Attorney General's office. The AG's response is that they feel 1) this is a cost of doing business. According to the Code, the Attorney General's office is our attorney – you cannot get outside counsel and they believe their costs are

reasonable and are much below what the marketplace would charge. They will try to document their costs better so that we can explain to you what work they do for us. They do represent us in lots of litigation and sometimes that litigation goes over many years. We will work with them to maximize the attorney we have on staff and to use them only when absolutely necessary and for them to document their bills. We have been aggressive with the AG's office about identifying the attorneys that work on our behalf, having designated attorneys, knowing who those people are so that some other agency also doesn't "own" that attorney and both being charged for it. We have made progress with getting them to identify who in their offices handles our business and for them to identify the major project they work on, on a monthly basis.

- With regard to the Auditor's office, we have a meeting set up to discuss the issue with them.
  - We have sent the message, that just because you get a charge, don't assume we are going to pay it – assume that we will want as much information as we can get. This is the approach we are taking.
  - Charlie Smithson stated he was not disputing the fees or charges, he believes it is a "Leadership Cost", it should not be billed back to the agency. Director Anderson stated there is probably still an opportunity for that discussion to happen with the Legislative body.
3. We will plan to notify all customers regarding the impact of all DAS rates in the next week and want to tell you about a new Customer Newsletter that will be coming which will help us showcase or to help you understand new products and services that DAS has to offer.
- Now that the rates are set by all the Customer Councils, by statutory deadlines, we will be sending out a letter to each of the agencies, each of our customers, by the conclusion of next week that provides an '05 comparison and '06 comparison between each of the costs that you have been charged by DAS. This is really important to ensure you have received your full costs articulated in your offers and in your budget process going forward. We are working on a document that will give you that comparison agency by agency for all of the rates – you will get one letter that has all rates.
  - Customer Council newsletter – we believe this is important. We are currently working on the design of the newsletter and our hope that in October we will have a newsletter for you to look at that will help to explain issues all across the board.
4. Discussion of legislative review – we have had some opportunities to be before the Legislature since the last meeting.
- We have discussed the issue of I/3, Fleet and other IT related issues with Legislature. Director Anderson stated she would expect that we will do a review of all of the DAS initiatives, including rates, how money was distributed and we would expect in the Legislative session we will get more opportunity to discuss how this works. As we do those, we will make you aware of those in case you want to attend and participate in some way.

#### **Customer Relationship Management & Billing Project:**

Brief update and presentation given (copy of presentation attached as part of the minutes).

#### **Fleet & Mail Business Plans – Answer any questions from presentation on 5/14/904:**

Pat Deluhery mentioned a letter from Kevin Concannon to John Bradford dated September 15, 2004 with regard to the mail rates. Dale Schroeder discussed the mail volumes from 2003 and 2004. The total volume went from 17 million to 13 million pieces, which is a significant

reduction. Part of this reduction was about a two million piece reduction from DHS and in addition to that, roughly a 25% increase in mail rate from 2005 to 2006. If you balance those two issues together, that assessment would still probably result in approximately a 10% increase.

Miki Clark (DHS) discussed postage rates.

Dale Schroeder noted mail staff was reduced in 2002, from 18 to 12 persons. We also reduced our service levels in terms of the delivery routes that we were servicing and staffing in all of the buildings on the complex. The Mail Division delivers mail all across the complex and specifically, not just federal mail, but inter-office mail. The thing that is quantifiable for us is the processing of outgoing mail – how that relates to the total service delivery package that mail provides, my guesstimate is the processing of outgoing mail represents about 40% of what we do. We have packages, certified, postage due, business reply, a lot of those items are not counted – in addition to all of the inter-office mail that we distribute.

John Baldwin asked that Dale Schroeder & Miki Clark get together to put together a letter or one-pager to summarize past history, offer a solution or two, options, etc.

Director Anderson advised you also have to remember there is a Security issue with mail.

John Bradford challenged GSE to call some of the other large agencies, universities, other state governments and ask about other methodologies for charging the inter-office mail portion of it and – because I see it as electronic mail – we are going to see a decrease in our out-going mail and that is going to become less and less of an indicator of who is really using the core services. That is our challenge over the next year or two, to define new ways to charge the rates that fully can be apportioned out to the groups that are really using your services the most.

Charlie Smithson made the motion that we amend this agenda to include an initial discussion of the DHS Mail Issue – it was not provided 24-hours in advance because we are responding to a notice that was sent late in the day but it was of great importance. Roger Johnson seconded the motion. Motion passed.

### **Who controls what buildings? Why?**

Pat Deluhery stated he and Director Anderson have visited with the interim director of the Department of Education and the Director of the Division of Vocational Rehabilitation who reports to the Department of Education about their building. It is simply that the discussion has started – no final decisions have been made. Pat Deluhery noted he believed, if we can have the discussion and iron out the details, which are very important details relating to quality of service, federal funding, other issues like that, that we will arrive at a solution. There are a lot of steps between starting the discussion and getting to that answer.

Director Anderson added they were very receptive to the discussion and I don't anticipate any problems resolving the difference between what the code says and how it operates. It is really is mostly about a funding issue – there is a significant amount of matching funds that they receive and the way the building is managed today and we want to make certain that we continue to get that federal fund so once those finance details can be worked out, I think we will achieve an agreement that will be suitable for everybody. There isn't much question any more about who is the "landlord of state buildings" – DAS has the responsibility to carry that out and try to do it in such a way that our tenants are happy. There is also an issue related to the buildings that we rent and lease – and that is just to clarify who really interacts with the landlord and making certain

there is no confusion about that because sometimes tenants develop a close relationship with the landlord.

**How charter agencies could impact DAS/GSE:**

John Baldwin ask that this item be deferred to next meeting.

**Role of Customer Council:**

John Bradford – some of the discussions I would like to see is:

- How can we quantify incoming mail?
- Budget timing and cycle – how it works.
- Come up with creative ideas to really make changes and improvements.
- Role of marketplace and how that relates to Customer Councils
- Minor “tweaking” of the budget process.
- How to measure things appropriately – the people who are really using the services are the ones being charged for it.
- How can we make services the best price and best quality we can?
- Quality of service.
- Customer Service measures.

Greg Anliker noted he felt the Print Shop has really become customer focused. We have had some unbelievably good service out of the Print Shop that we have probably rarely experienced before – I believe those folks have gotten the message as to who the customer is.

**2005 Proposed Meeting Calendar:**

Proposed 2005 meeting calendar discussed – morning meetings – time to change to 8:00am to 10:00am. Schedule to be posted to web-site and distributed when meeting location is confirmed.

**Open Discussion:**

Expiration of terms – to be on the next agenda as an action item.

**Next Meetings:**

October 12, 2004	1:30 – 4:30	Hoover Building/Level A – EMD Conf. Room
November 16, 2004	1:30 – 4:30	Hoover Building/Level A – EMD Conf. Room
December 14, 2004	1:30 – 4:30	Hoover Building/Level A – EMD Conf. Room

**Adjourn:**

Meeting adjourned at 9:30 a.m.

Respectfully submitted,

Nancy Williams, GSE  
281-7259